

May 12, 2008

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515

RE: The Impact of CMS Regulations and Programs on Small Health Care Providers

Dear Sir/Ma'am,

The following is my testimony regarding the issues surrounding CMS Regulations and Programs and how they have affected Small Health Care businesses. I have been in the healthcare industry for over 18-years and have experienced several challenges as a direct result of the changes set in motion with CMS.

Of all the changes that have taken place over the last decade, reimbursements continue to have a strong ripple effect on the financial stability of small health care businesses. For many small health care businesses, Medicare sets the pace for other commercial health insurance programs outlining how much they will reimburse. Several commercial health insurance companies have setup a reimbursement fees schedule that is tied in with the Medicare's fees schedule, fluctuating there reimbursement fees with Medicare's adjustments. When Medicare increases or decreases their reimbursement allowable, these other health insurance companies automatically adjust their fee schedules accordingly.

When CMS announces they are forecasting a decrease in their fee schedule payments, the clinic administrator must also investigate how this will affect their company's financial performance across the spectrum. It is in every administrators play book to reduce the dependency on Medicare monies and focus more on commercial patients to help make up the difference and enhance their total revenue volume.

Aside from the Oklahoma Allergy and Asthma Clinic in Oklahoma City Oklahoma and the Allergy Clinic of Tulsa, there are no other Allergy and Asthma specialty clinics in Oklahoma that accepts Medicare patients. As a direct result of this limited number of Allergy and Asthma specialists, we have huge Medicare patient population. This scenario is not the exception to the rule, but rather the baseline to a much greater concern. There are a number of other health care specialists who are facing these same challenges.

In order to ensure continued financial success, small medical practices must take creative measures to ensure all their patients are receiving the best care possible. With the increase cost in medical supplies, wages, and technology, small business are beginning to experience a greater challenge finding new ways to balance the quality of live concerns and financial stability of their company.

In the year 2011, Medicare has mandated the implementation of Electronic Health Records for all health care businesses who accept Medicare payments. For the small health care business, this requirement comes with an estimated \$300,000 to \$800,000 price tag, depending on the size of the practice. With the potential decrease in the reimbursement fee schedule, combined with the cost to implement Electronic Health Records and rising operating expenses, many health care business are currently evaluating the economic impact between the purchasing an Electronic Health Record software or the discontinuance of treating Medicare patients all together.

On a smaller scale, however, one of which may seem trivial in nature, but has an effect on the patient's overall quality of life. Medicare has established a requirement that a physician must be present when a Medicare patient receive their immunotherapy treatment (shot). Medicare is the only health care entity that requires a physician present at the time of treatment. This restriction places undue stain on the medical staff and physician for something as little as a shot to improve the patients overall health and quality of life.

As business expenditures continue to rise coupled with more stringent regulations, CMS will experience a sharp reduction in the number of health care providers that will continue to accept Medicare patients. Any future reduction in Medicare reimbursement will affect the overall quality of life for these beneficiaries, which will in-turn continue to decrease exponentially over a short period of time. Keeping patients out of the emergency room and hospitals, while at the same time, saving money through preventive medicine practices and health lifestyle changes through education would be more beneficial than simply reducing reimbursements.

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